



NEWS RELEASE

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Treasurer Angelides Visits Cal-State Chico On Statewide Tour To Protect Critical Role Of California's Public Higher Education Campuses In State's Economy

Two-Day Tour Concludes at CSU-Chico Campus, as Governor Schwarzenegger Proposes to Slash Funding, Hike Tuition, and Cut Financial Aid

CHICO, CA – California State Treasurer Phil Angelides today toured a state-of-the-art research lab at California State University, Chico, as he concluded a two-day statewide tour to protect the critical role of California's world-renowned public higher education system in the State's economy. The Treasurer is visiting University of California (UC), California State University (CSU) and California Community College campuses from Chico to San Diego on Tuesday and Wednesday, highlighting the diversity and accomplishments of various research, educational, and training programs at six different schools, and how the programs contribute to California's economic competitiveness and the State's leading role in the global economy.

The Treasurer's tour comes in the wake of the release of Governor Arnold Schwarzenegger's recent budget that proposes deep cuts in state funding, steep tuition hikes, reduced enrollment, and cuts in financial aid for higher education across the State.

"As treasurer, my first priority must be to protect our economy today, and build our economy for tomorrow," Angelides said. "I believe we need to burnish the crown jewel that is this State's higher education system, not break it down into shards. Unfortunately, the Governor's budget would shatter California's historic commitment to its public colleges and universities. We must fight to protect and increase investments in these institutions, as they will be our ticket to economic progress in the decades ahead, just as they were in the last half of the 20th century."

Angelides' sixth and final stop on the two-day tour brought him to California State University, Chico, where he heard from students, faculty and administrators of the University's College of Engineering, Computer Science, and Technology, and from a representative of the Freeman A. Ford company, a solar-panel producing business that relocated to Chico to be closer to the College and to more easily hire its graduates.

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In meeting with researchers and students in the College, and touring two of the University's scientific laboratories, the Treasurer said, "California State University, Chico and our other great public colleges and universities are training the highly skilled workers that will be the backbone of California's 21st century economy. We are here today fighting for the UC, CSU and Community College systems because of the leading role they play in our State's and nation's economic competitiveness."

The College of Engineering, Computer Science, and Technology offers a number of academic programs that prepare its more than 1,500 students for careers in the public and private sectors, and for graduate education. For several years, Hewlett-Packard Co. has hired more graduates of Chico State's Computer Science Department than any other CSU department in the State.

California has nearly one million high-tech workers, and high-tech wages accounted for \$91 billion in California's economy in 2001. In 2002, California exported \$44 billion in high-tech products, representing 48 percent of the State's exports.

Governor Schwarzenegger, on January 9, proposed more than \$700 million in cuts for California's higher education institutions—bringing cuts in student support over the last two years at the CSU system to nearly 29 percent. The Schwarzenegger Administration also proposes to hike student fees at UC, CSU and California Community Colleges, including a 40 percent increase in graduate student fees at UC and CSU (see attached summary of proposed budget impacts).

The CSU Chico's College of Engineering, Computer Science, and Technology is already feeling the impacts of funding cuts from previous years. Deeper cuts will mean the College will face additional difficulties in securing funds needed to purchase equipment for its engineering and science labs, should the Governor's budget result in less state support for its programs.

Angelides' visit to CSU-Chico today was the last of six stops the Treasurer made across the State on Tuesday and Wednesday, where he visited UC, CSU, and California Community College campuses up and down the State. On Tuesday, he visited UCLA's Center for Embedded Networked Sensing, San Diego City College, and CSU-Fresno's Viticulture and Enology Research Center. Earlier today, he visited with students, teachers and administrators at CSU-Sacramento's College of Education, and UC-San Francisco's Mission Bay Campus.

For more information about this and other stops on the two-day tour, please contact Communications Director Mitchel Benson at (916) 653-4052.

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Impacts Of Governor Schwarzenegger's Budget On California's Public Higher Education System

Governor Schwarzenegger's proposed budget will have a dramatic, negative impact on the University of California, California State University, and California Community College systems. According to the non-partisan Legislative Analyst, the Governor's Budget "includes over \$700 million in reductions in higher education."

Here are some of the specific impacts of the Governor's budget proposal:

Cuts in Funding

- Reduces UC research funding by five percent (\$11.6 million)
- Eliminates General Fund support for the UC Digital California Project, which provides access for K-12 school districts to the Internet (\$14.3 million)
- Eliminates General Fund support for UC and CSU outreach programs (\$110 million)
- Increases student-to-faculty ratios by five percent (\$88.7 million)
- Makes unallocated funding reductions, which could lead to, among other things, a loss of course sections (\$98 million for UC and CSU over two years)

Higher Fees and Tuition

- Hikes undergraduate fees at UC and CSU by 10 percent (UC: from \$4,985 to 5,482; CSU: from \$2,046 to \$2,251)
- Hikes fees for graduate students at UC and CSU by 40 percent (UC: from \$5,219 to \$7,307; CSU: from \$2,256 to \$3,158)
- Hikes fees for Community College students by 44 percent (\$18 to \$26 per unit)

Reductions in Enrollment

- The budget proposes to reduce the enrollment at both UC and CSU. 8,200 students will be turned away at UC, and 13,800 will be turned away at CSU.

Cuts in Financial Aid

- The budget reduces eligibility for Cal Grants for middle-income families by reducing the family income threshold by 10 percent (For Cal Grant A, from \$67,000 to \$60,840 for a family of four).
- Reduces amount of UC and CSU fee revenue allocated to financial aid from one-third of fee revenues to 20 percent.
- Provides no increase in Cal Grant awards to reflect increase in fees at UC and CSU.